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# FORM 10-Q

## SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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(Mark One)

[ ✓ ] **QUARTERLY REPORT UNDER SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

RECD S
MAY 1 1 1992

For Quarterly Period Ended: **February 29, 1992**

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

PROCESSED BY
MAY 13 1992

Commission File Number: **0-13041**

**KINLAW ENERGY PARTNERS CORPORATION**
(Exact name of registrant as specified in its charter)

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| **Texas** | **75-1939021** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (IRS Employer Identification No.) |

| **8800 North Central Expressway, Suite 1001, Dallas, Texas** | **75231** |
|---|---|
| (Address of principal executive offices) | (Zip Code) |

**(214) 373-6432**
(Registrant's telephone number, including area code)

8800 North Central Expressway, Suite 900, Dallas, Texas 75231
(Former name, former address and former fiscal year, if changed since last report)

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [ ✓ ] No [ ]

APPLICABLE ONLY TO CORPORATE ISSUERS:

**37,735,285 shares of Common Stock, no par value**
(The number of shares outstanding of each of the issuer's classes of common stock, as of the last practicable date)

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements:

**KINLAW ENERGY PARTNERS CORPORATION**

**Financial Statements**

**February 29, 1992**

KINLAW ENERGY PARTNERS CORPORATION

Balance Sheets

(Unaudited)

ASSETS

| | February 29, 1992 | August 31, 1991 |
|---|---|---|
| Current asset - cash | $ 65,087 | $ 987 |
| Property and equipment, net of accumulated depreciation | 7,490 | - |
| | $ 72,577 | $ 987 |

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

| | | |
|---|---|---|
| Current liabilities: | | |
| Accounts payable to affiliate | $ 294,118 | $ 249,694 |
| Accrued liabilities | 15,323 | - |
| Short-term borrowings | 200,000 | - |
| | 509,441 | 249,694 |
| Stockholders' equity (deficit): | | |
| Common stock | 37,735 | 37,735 |
| Capital in excess of par value | 543,256 | 543,256 |
| Deficit | (1,017,855) | (829,698) |
| Total deficit | (436,864) | (248,707) |
| | $ 72,577 | $ 987 |

KINLAW ENERGY PARTNERS CORPORATION

Statements of Operations

(Unaudited)

| | Three months ended | |
|---|---|---|
| | February 29, 1992 | February 28, 1991 |
| Oil and gas revenue | $ - | $ - |
| Operating expenses: | | |
| Depreciation, depletion and amortization | - | - |
| General and administrative expenses | 90,857 | 3,885 |
| Total operating expenses | 90,857 | 3,885 |
| Loss before Federal income tax | (90,857) | (3,885) |
| Federal income tax | - | - |
| Net loss | $ (90,857) | $ (3,885) |
| Loss per share | $ - | $ - |
| Weighted average common shares outstanding | 37,735,285 | 37,735,285 |

KINLAW ENERGY PARTNERS CORPORATION

Statements of Operations

(Unaudited)

| | Six months ended | |
|---|---|---|
| | February 29, 1992 | February 28, 1991 |
| Oil and gas revenue | $ - | $ - |
| Operating expenses: | | |
| Depreciation, depletion and amortization | - | 2 |
| General and administrative expenses | 188,157 | 3,885 |
| Total operating expenses | 188,157 | 3,887 |
| Loss before Federal income tax | (188,157) | (3,887) |
| Federal income tax | - | - |
| Net loss | $ (188,157) | $ (3,887) |
| Loss per share | $ - | $ - |
| Weighted average common shares outstanding | 37,735,285 | 37,735,285 |

KINLAW ENERGY PARTNERS CORPORATION

Statements of Cash Flow

(Unaudited)

| | Six months ended | |
|---|---|---|
| | February 29, 1992 | February 28, 1991 |
| Cash flows from operating activities: | | |
| Net loss | $ (188,157) | $ (3,887) |
| Noncash revenues and expenses included in net loss: | | |
| Depreciation, depletion, and amortization | - | 2 |
| Net increase in accounts payable and accrued liabilities | 59,747 | 3,000 |
| Cash used by operating activities | (128,410) | (885) |
| Cash flow from investing activities - purchase of property and equipment | (7,490) | - |
| Cash flow from financing activities - proceeds from note payable | 200,000 | - |
| Net increase in cash | 64,100 | - |
| Cash at beginning of period | 987 | 2,300 |
| Cash at end of period | $ 65,087 | $ 1,415 |
| Supplemental information: | | |
| Interest paid | $ - | $ - |

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations:

The Company's proposed business is to sponsor, as Managing General Partner, limited partnerships to be formed to drill, test, and complete offshore oil and/or gas wells in the Gulf of Mexico off the coast of Louisiana, and operate such wells after production, if any. In furtherance of this business plan, the Company filed in September 1991 a registration statement on Form S-1 pertaining to the organization of up to twenty (20) limited partnerships and the public sale of units to capitalize the partnerships. The offering was subsequently amended to reflect up to ten (10) such partnerships. The registration statement continues to be in the review process with the staff of the Securities and Exchange Commission, and there can be no assurance when or if the registration statement will become effective.

Other than the Company's proposed business as described herein, of which there can be no assurance, there are no known trends or demands, commitments, events or uncertainties that will result or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way. To the extent that additional funds are necessary for operational costs, they are anticipated to be made available from an affiliate of a former majority shareholder.

In that connection, the Company has no material commitments for capital expenditures as of the end of its latest fiscal period and there are no known material trends, favorable or unfavorable, in the Company's capital resources.

## PART II

No "other" information required.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KINLAW ENERGY PARTNERS CORPORATION

May 4, 1992

Matthew C. Akin, President, Chief Executive, Financial and Accounting Officer, Director